



Washington State Health Care Authority
Benefits Administration Insurance Account System

August 23, 2006

TO: Steve Hill
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CC: Barney Speight
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FROM: Mary Fliss
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RE: Response to Sterling May 2006 QA Report

We have reviewed the QA report issued by Sterling Associates LLP on May 1, 2006. This memo outlines the project's response to each of the recommendations and any specific action items that the project will undertake to address QA concerns.

The following chart outlines a high level summary of our response:

Sterling Recommendation	BAIAS Project Response
#1 – Develop a project plan reflecting the assumptions built into the project and the resources available, including major tasks, milestones, decision points, dependencies, schedule and the critical path. Ensure collaboration among all participants to identify dependencies and a reasonable schedule for completion.	Implement – in progress
#2 – Clarify roles and responsibilities for project participants and decision makers that reflects the organization of the project	Implement – in progress
#3 – Revise the communication plan and include identification of specific stakeholder needs, required information, responsibilities for completion, and timing of communications	Implement -- in progress



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Detailed Response to Recommendations Raised by Sterling Associates

#1) Develop a project plan...

Implement (In Progress) –

The project response is unchanged from the last report. The project agrees that a detailed project plan is the roadmap that is needed to manage and drive the project in the weeks, months, and years ahead. A high-level project plan has been created as a project target, but the project continues to recognize that a truly integrated project plan will only be available once the acquisition phase has been completed, a contract is signed and a vendor has been selected. At that time, there will be a clear understanding of the vendor's responsibilities as well as HCA responsibilities and only once we reach that point can an integrated plan for the implementation period be established.

Specific Project Action Items

- Established the initial high-level plan and reviewed with ESC on 4/26/2006
- Baselined the high-level plan following the Vendor Forum (5/3/2006)
- Monitor the initial plan on an ongoing basis recognizing that the project will continue to test the validity of their estimates and underlying assumptions on an ongoing basis. As the project locates discrepancies in estimates or assumptions, decision makers will be engaged to determine the appropriate course of action to address any variances from the plan.

#2) Clarify roles and responsibilities...

Implement (In Progress) –

The project response is unchanged from the last report. The project agrees that a clear understanding of roles and responsibilities for project participants is important to the overall project efficiency and success. The team did significant work to define roles and responsibilities as part of the Investment Plan and will continue to refine and implement these as the project gets underway.



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Specific Project Action Items

- Reviewed the roles and responsibilities outlined in the investment plan adding additional detail around some roles that were omitted from the Investment Plan documentation. (In particular the DIS consultant, Executive Co-Sponsors, and the Advisory group.)
- Initiated conversations between the Co-Executive sponsors regarding their working relationship and co-responsibilities.
- Work to clarify the roles and responsibilities outlined in the investment plan and redistribute the revised roles and responsibilities to the ESC. The project will continue to monitor roles and responsibilities throughout the project lifecycle.
- The project recognizes that roles and responsibilities will change when new project team members are brought onto the team, when the vendor is selected and as the project enters new phases within the project lifecycle. At each of these milestones, the project is committed to reviewing the established roles and clarifying responsibilities.

#3) Revise the communication plan....

Implement (In Progress) –

The project response is unchanged from the last report. The communications plan will become increasingly important following selection of a Vendor. The project is attempting to fill a position of Communications Specialist at this time from within HCA. The project agrees that a communication plan needs to be established in order to avoid misconceptions about the project's status or approach and to ensure that HCA staff has a clear understanding of the process for distributing project related communications. An initial communication plan was developed in parallel with the Investment Plan which outlines some of the relevant audiences and the communication vehicles that need to be developed over the course of project lifecycle. The project recognizes that the sophistication of the communication plan will increase overtime as details about the project, the vendor, HCA responsibilities and the project timeline become increasingly defined and that the person or persons creating and managing the communication plan must be intimately aware of the project details.

Specific Project Action Items

- The project is currently in process of hiring a Project Analyst who will be responsible for the first revision of the communication plan after coming up to speed on the details of the project. Time permitting, the Project Analyst will also begin to develop some of the tools required to support the revised communication. ("Agency and University Progress – red, yellow, green" tool, status templates, etc.)
- The project has begun to define a role for a full time Communications Specialist (backfill or contract) and has included this role in the State commitment section of the RFP. The project recognizes that additional conversations are necessary to determine the timing of when this communications specialist will begin. These conversations will occur after the formalization of the initial work plan.



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Please feel free to follow up with any questions or concerns.